GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:85
ANSWERED ON:28.07.2006
LOSSES TO GENERAL INSURANCE COMPANIES
Tripathy Shri Braja Kishore

Will the Minister of FINANCE be pleased to state:

(a) Whether due to the frequent calamities in the recent past most of the general insurance companies have suffered huge losses during 2004-05 and 2005-06;

(b) if so, the details thereof, company-wise; and

(c) the steps taken / proposed to be taken to improve their performance?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI P. CHIDAMBARAM)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO THE LOK SABHA STARRED QUESTION NO.85 FOR 28.7.2006 REGARDING `LOSSES TO GENERAL INSURANCE COMPANIES`.

(a) to (c): The General Insurance Companies have received a large number of claims arising out of losses due to natural calamities in 2004 and 2005. However, to protect themselves from such catastrophic losses, the companies seek reinsurance support from the General Insurance Corporation of India (GIC) and from the international market, thus recovering a major portion of these claims. Based on their experience, the companies have re-designed their reinsurance programmes and increased the reinsurance cover for 2006-07. Company-wise details of incurred claims by the Public Sector General Insurance Companies on account of Tsunami in 2004,Gujarat and Mumbai/Maharashtra Floods in 2005 are given below :

(Rs. in erores)

Name of the Company	Tsunami in December 2004	Gujarat Floods in June, 2005	Mumbai /Maharashtra Floods in July,2005
National Insurance Company Ltd.	1.45	13.85	375.15
The New India Assurance Company Ltd.-	7.31	35.26	476.34
The Oriental Insurance Company Ltd.	16.73	21.55	350.70
United India Insurance Company Ltd.	11.59	32.54	270.96
Total	37.08	103.20	1473.15